

much emphasis on the acquisition of home wiring may mislead subscribers to believe that they are acquiring something of great value that will one day be beneficial to them.⁵⁷ For example, subscribers should not be led to believe that owning the cable wiring within their dwellings will result in reduced multichannel video service charges in the future, or that the wiring will never have to be replaced or updated to accommodate more technologically advanced video services. Time Warner submits that its proposed "consumer disclosure" approach to home wiring is fully consistent with the foregoing concerns raised by the New York Commission.

⁵⁷See id.

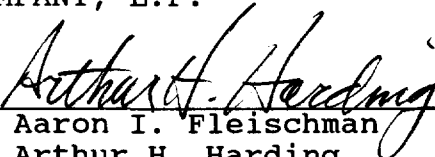
VII. CONCLUSION

Accordingly, for all of the reasons set forth above, and for all the reasons contained in Time Warner's Comments, the Commission should adopt home wiring rules consistent with the proposed regulation attached to Time Warner's Comments at Appendix 1.

Respectfully submitted,

TIME WARNER ENTERTAINMENT
COMPANY, L.P.

By


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Dated: December 15, 1992



EXHIBIT 1

30 Rockefeller Plaza, Suite 3026, NY, NY 10020
(212) 956-2700 Fax (212) 956-1818

December 1, 1992

Board of Managers
c/o Mr. Steve Rossi
Milford Management Inc.
One Lincoln Plaza
New York, NY 10023

Dear Mr. Rossi:

In response to the questions raised by Mr. Waterman, I would like to provide the following clarification of issues concerning price, technology, and potential litigation surrounding our installation at One Lincoln Plaza.

1. Price. Liberty will accord the 283 tenant owners a bulk rate of \$12.00 per apartment for our basic service. Any number of televisions may be connected for this basic bulk rate and no convertor boxes are required unless premium services are requested. Residents who lease apartments at One Lincoln may take advantage of the bulk rate. We will accord the same \$12.00 rate to them upon request.

2. Technology. Liberty Cable currently provides picture quality and channel capacity at least equal to that of the cable operator (see letter attached from one Board President of a building managed by Brown, Harris, Stevens). Liberty will introduce in 1993 advanced video dialtone service in a venture with NYNEX at three test sites. This switched digital fiber optic system will provide the country's first true video-on-demand technology (see attached from The Wall Street Journal).

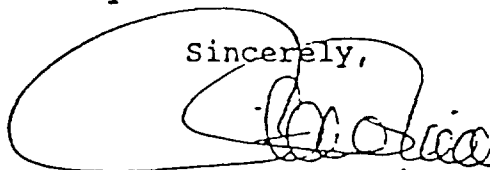
Switched video service through fiber optic lines makes accessible literally hundreds of programs instantly on demand. The subscriber will access these enhanced services (including not only movies but news, sports, and cultural events) on an optional basis. The basic cable bill remains low but hundreds of opportunities are available on request at modest prices ranging from free public service information to feature films at several dollars per transaction. Most technology experts agree that switched broadband video dramatically expands today's channel systems to the type being tested in Queens.

3. Litigation. Liberty has installed or is now in the process of installing its system in 50 different buildings in Manhattan, the majority of which are owned or managed by companies completely unaffiliated with Douglas Elliman or The Milstein Family. In only five of these buildings was our installation challenged by the cable operator. As most of the buildings will attest, the challenges were designed to discourage the Board from adopting Liberty but in no case was any building dissuaded from moving forward.

The Board Presidents of these few buildings will affirm that the challenge by the cable operator was completely indemnified by Liberty and has in no case succeeded. In fact the cable operator has in most cases requested or agreed to a settlement permitting Liberty to complete its installation unmolested. Liberty has in fact established an operating protocol, by mutual agreement with the cable operator, to facilitate future installations based upon clear evidence that tenant owners of a building are free to select the cable service of their choice. For your information, internal wiring within an apartment has never been the subject of protest let alone litigation. It has constantly been conceded that the internal wiring of an apartment is accessible to any provider of telephone or television service which the resident elects.

I hope this letter accurately addresses Mr. Waterman's questions. I would be happy to validate any representations made to the satisfaction of you and your Board.

Sincerely,

A handwritten signature in dark ink, appearing to read "Peter O. Price", is written over a large, loopy circular flourish.

Peter O. Price
President